



## State of Utah

### Department of Natural Resources

ROBERT L. MORGAN  
*Executive Director*

### Division of Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

June 28, 2004

Ken P. Done  
Kennecott Utah Copper Corporation  
P.O. Box 6001  
Magna, Utah 84044-6001

Subject: Formal Approval of Partial Release Form and Amount of Updated Reclamation Surety and Replacement Reclamation Contract, Kennecott Barneys Canyon Mining Company, Barneys Canyon Mine, M/035/009, Utah County, Utah

Dear Mr. Done:

After a site inspection during the summer of 2003, per Kennecott's request for partial release of their existing surety bond, it was determined that the surety could be reduced from the present \$4,604,000 surety to a lesser amount of \$3,631,200. On April 19, 2004, the Division granted authorization for Kennecott to reduce the bond.

On June 22, 2004, we received a surety bond rider issued by St. Paul Fire & Marine, reducing the existing surety from \$4,604,000 to \$3,631,200. A replacement Reclamation Contract was also provided which is directly tied to the surety.

Presently the permitted acreage is 963 acres because reclamation activities increased the total affected area to be reclaimed to 1045 acres. Acceptance of this proposal will reduce remaining bonded acreage requiring complete reclamation to 380 acres. The revegetation portion of the bond, will be retained until 70% success is achieved. The processing facilities, maintenance shop and heaps are the main components of the mine that remain to be reclaimed.

On June 25, 2004, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of the updated Reclamation Contract and the surety rider. ***The Division hereby grants its final approval of your updated reclamation surety.*** Enclosed please find copies of the surety rider and the fully signed and executed Reclamation Contract which will replace the existing Reclamation Contract. The original December 31, 2001 Reclamation Contract is also enclosed for your disposal.

Ken Done  
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Thank you for your help in finalizing this permitting action. Nothing more will be required on this surety bond until the year 2009, unless you revise or amend your large mining notice. Please call me or Doug Jensen if you have any questions in this regard.

For your information, beginning July 6, 2004, I will be transferring over to our coal regulatory program on a cross-training assignment. My replacement in the minerals program will be Daron Haddock. After July 6<sup>th</sup>, please contact Daron at (801) 538-5325 or one of our permit leads if you have any questions or concerns regarding your permit.

Sincerely,

A handwritten signature in black ink that reads "D. Wayne Hedberg". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb  
Enclosure: Two RC's w/accompanying LOC's  
O:\M035-SaltLake\M0350009-BarneysCyn\Final\updatesurety-06282004.doc